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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

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October 26, 2000

The Honorable William Kennard
Chairman
Federal Communications Commission
The Portals
Washington, D.C. 20554

Dear Chairman Kennard:

I was shocked and disappointed to read the comments of the Wireless Bureau Chief Tom Sugrue regarding factual conclusions that the FCC has apparently reached with regard to the pending merger application between Deutsche Telekom and VoiceStream wireless. According to the Reuters news service, Mr. Sugrue said, "[T]hey wouldn't be in violation, that I would see, of any of the usual competition rules because Deutsche Telekom doesn't have any licenses so there's no increase in concentration."

The FCC has not completed its merger review process. In fact, I was under the impression that the merger review process had just begun. The comment period for this transaction has not expired, and the Commission has presumably yet to receive filings on the issue of whether this transaction adversely impacts competition. Mr. Sugrue's comments, confirm my fear that any filing in opposition to the transaction will be irrelevant to his competition analysis.

In earlier correspondence, you wrote "it would be inappropriate for [you] to prejudge the outcome" of this merger in response to my assertion that this transaction was barred by 47 U.S.C. 310(a). Mr. Sugrue's comments, however, appear to "prejudge the outcome" before the completion of the FCC's analysis. They also give credence to the growing belief in Congress, that the FCC is prepared to rubber stamp transactions involving foreign government ownership of U.S. telecommunications licenses, notwithstanding your attempts to state publicly that such transactions will warrant "close scrutiny."

I urge you to repudiate his statements and take all necessary steps to ensure that this transaction is considered in an impartial and unprejudiced manner.

Sincerely,


ERNEST F. HOLLINGS
Ranking Democrat

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